



Financial Affairs Committee
January 17, 2001

1. Participants

--Terri Anderson, SCVWD	--Tona Mederios, SLDMWA
--Larry Bauman, BOR	--Jesus Reynoso, BOR
--Brice Bledsoe, CCWD	--George Senn, CVPWA
--Al Donner, CCWD	--Robert Stackhouse, CVPWA
--Mike Finnegan, BOR	--Alan Thompson, EBMUD
--Russell Harrington, WWD	--Pat Wiemiller, Fresno ID
--Chase Hurley, Panoche WD	--Harvey Bailey, Orange Cove ID
--Lynn Hurley, SCVWD	--Lisa Weber, Westside WD
--Winnie Jones, Corning WD	--Sandy Denn, GCID
--Henry McLaughlin, Fresno	

2. Opening Business

The January meeting was held in the Grand Boardroom at the Radisson Hotel and Convention Center, Visalia, CA. The meeting began at 1:00pm.

The next Financial Affairs Committee meeting will be held on **February 16 at 9:30am in the ACWA Office Boardroom, 910 K Street, Sacramento.**

3. Reclamation Reports.

--Update on Status of 2000 Final Accountings-Water Delivery Information. Larry Bauman reported that the Bureau is wrapping up this year's final accountings. The Bureau sent out water delivery information to each of the CVP water contractors and is waiting for several of them to verify that information. The Financial Statements should be finalized in the next 3-4 weeks.

--Update on CVP Cost Allocation. Mike Finnegan reported that the draft report has been completed, the CVP area managers have been briefed, and a cost allocation workshop will be held on February 9 to present it to the public. The report evaluates three cost allocation alternatives, a CVPWA proposal, a GAO proposal, and the Bureau's current cost allocation process, and selects the preferred alternative. We will have time to review and comment on the draft report. Mike said that the report will be posted on the Bureau website.

--Status of 2002 Capital Rate Computation Process. Mike Finnegan would like to initiate a collaborative effort to work on the capital rate issue as soon as possible. It was agreed that we would get this effort underway in early February. The Bureau wants to conclude this effort by June 15, 2001 in time for computation of the 2002 rates.

--Status of Advance Payment Reconciliation Effort. Larry Bauman reported that his office has sent out follow-up letters to the water contractors requesting them to review the Bureau's reconciliation reports and respond if they do not agree. A non-response by a contractor will be interpreted by the Bureau as acceptance of the reconciliation data.

--Update on the BOR WORKS Development Project. Larry Bauman reported that JAVIS, the contractor that is developing the new water accounting program, is on schedule. JAVIS is testing the first phase of the program and will begin training key Bureau staff in the near future.

4. **2001 Water Rates.** A lengthy discussion took place regarding the recent CVPWA letter written to Lester Snow, concerning the 2001 water rates and the rate of O&M cost increases over the past several years. It was stressed that the water contractors cannot continue to sustain the large annual O&M increases. It was agreed that representatives from the Bureau and the FAC would work together to resolve this issue during the upcoming year.
5. **Direct Funding Agreements.** This issue was discussed only briefly. Discussions between the three authorities (TCCA, SLDMWA, and FWUA) and the Bureau on the outstanding issues are continuing.
6. **Arroyo Pasajero Project—a new alternative.** Alan Thompson, East Bay MUD, and Russell Harrington, Westlands WD have been studying the proposed new alternative for the Arroyo Pasajero Project—the Westside Detention Basin with Tulare Lakebed Flood Storage. Russell is researching the history of the Arroyo Pasajero Project to find out more about the project and to learn more about the potential funding sources and eventual repayment of the reimbursable costs by the CVP water contractors. Alan and Russell will continue to update the FAC on this issue.